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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1941

No. 321

STONITE PRODUCTS COMPANY, PETITIONER,

vs.

THE MELVIN LLOYD COMPANY, AND J. A. ZURN MFG. CO.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

PETITION FOR CERTIORARI FILED JULY 30, 1941.

CERTIORARI GRANTED OCTOBER 13, 1941.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941

No. 321

STONITE PRODUCTS COMPANY, PETITIONER,

vs.

THE MELVIN LLOYD COMPANY

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

INDEX.

[fol. 1]

IN UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

DOCKET ENTRIES—Filed in U. S. C. C. A., January 23, 1941

8-9-40—Plaintiff's Complaint for Infringement of Patent filed.

8-9-40—Summons issued and forwarded with one copy of complaint to John E. Sloan, U. S. Marshal, Pittsburgh, Pa. for service on Lowe Supply Co., Erie, Pa. and summons issued and forwarded with one copy of complaint to U. S. Marshal, Philadelphia, Pa. for service on Stonite Products Company, Philadelphia, Pa.

8-12-40—Interrogatories to the defendant, Lowe Supply Co. under Rule 33 of the Federal Rules of Civil Procedure, filed.

8-12-40—Interrogatories to the defendant, Stonite Products Company under Rule 33 of the Federal Rules of Civil Procedure, filed.

8-16-40—Original summons in civil action received from the office of the United States Marshal, Philadelphia, Pa., and filed, with the following endorsement of service on defendants noted thereon: "I hereby certify and return, that on the 10th day of August, A. D. 1940, I received the within summons and served the same at Philadelphia, Pa., in my district, on August 12, 1940 on the Stonite Products Company, located at 4455 No. 5th Street, Phila., Pa., by handing a true and attested copy thereof, together with a copy of the complaint, to Mr. A. Younger, owner of the said Company, and making contents of the same known to him. As to Lowe Supply Co.—"not requested to serve." So answers—Joseph C. Reing, United States Marshal, By Clayton Keeney, Deputy United States Marshal."

9-4-40—Original summons in civil action received from the office of the United States Marshal, Pittsburgh, Pa. and filed, with the following endorsement of service on defendant noted thereon: "I hereby certify and return, that on the 22nd day of August, 1940, I received the within sum-
[fol. 2] mons in civil action and complaint and served the same on the therein-named Lowe Supply Co., Erie, Pa.

by handing to and leaving a true and attested copy thereof with Frerrick Freidman, Vice President of said Lowe Supply Co., personally, at his office 1301 State St., Erie, Pa., in said district on the 23rd day of August, 1940. John E. Sloan, United States Marshal, by J. Dempsey, Deputy United States Marshal."

8-31-40—Special appearance for the purpose only of submitting and arguing a Motion to Dismiss of Quash the Return of Service and to Extend Time for Filing Answer, filed by Caeser & Rivise, Attorneys at Law, 1321 Arch Street, Philadelphia, Pa.

8-31-40—Motion of Attorneys for Stonite Products Company, to Dismiss or Quash Return of Service and Extend Time for Filing of Answer together with Notice of Filing Motion, filed.

8-31-40—Affidavit of Alexander Younger, trading as Stonite Products Company filed, and same day statement of A. D. Caeser, Attorney for Alexander Younger, trading as Stonite Products Company, filed.

9-21-40—Special Appearance of David S. Gifford as attorney for Stonite Products Company, filed.

9-21-40—Memoranda of Hearing on Motion to Dismiss and Quash service, held before Judge Schoonmaker, filed.

10-16-40—Opinion of Judge F. P. Schoonmaker, reading in part as follows: "The motion to dismiss and quash the service as to defendant, Stonite Products Company, must be granted. An order may be submitted accordingly." filed.

[fol. 3] 10-22-40—Praecipe to enter default of Lowe Supply Co. in favor of the plaintiff, under Rule (a), filed.

10-22-40—Affidavit in Support of Praecipe for default against Lowe Supply Co., filed.

10-22-40—Petition to enter judgment by default, and for further relief, together with Decree of Court, dated October 17, 1940, granting the prayer of the petitioner, filed.

10-22-40—Writ of Perpetual Injunction, signed by Judge F. P. Schoonmaker, on October 17, 1940, filed.

10-25-40—Original Writ of Perpetual Injunction sent to John E. Sloan, the U. S. Marshal, Pittsburgh, Pa., for service on Lowe Supply Co., Erie, Pa.

11-16-40—Original Writ of Perpetual Injunction received from the office of the United States Marshal, at Pittsburgh,

Pa. and filed, with the following endorsement of service on the defendant, Lowe Supply Co., noted thereon: "I hereby certify and return that I served the annexed Perpetual Injunction on the therein-named Lowe Supply Company, Erie, Pa. by handing to and leaving a true and attested copy thereof with Frederick Friedman, vice president of said Lowe Supply Company, 1301 State St., Erie, Pa. personally at his place of business in said District on the 2nd day of November, A. D. 1940. (Signed) John E. Sloan, U. S. Marshal, by J. Dempsey, Deputy."

11-16-40—Order filed Quashing the Return of Service and Dismissing the Cause of Action as to the Defendant, Stonite Products Company, signed by United States District Judge Frederic P. Schoonmaker, on November 14, 1940, reading as follows: "This cause having been heard on the 21st [fol. 4] day of September, 1940, by motion of the defendant Stonite Products Company to disiniss the action as to the defendant Stonite Products Company on the ground that said defendant Stonite Products Company does not have a regular and established place of business within the Western District of Pennsylvania; or to dismiss the action or, in lieu thereof, quash the return of service of the summons as to the defendant Stonite Products Company on the ground of improper service of process and improper joinder of the defendant Stonite Products Company with the defendant Lowe Supply Company.

It is hereby ordered that the return of service be quashed and that the cause of action be dismissed as to said defendant Stonite Products Company, for the reason that the venue in this suit as against Stonite Products Company is not laid in the District where acts of infringement are alleged to have occurred and where the defendant Stonite Products Company has a regular and established place of business. (Signed) Frederic P. Schoonmaker, U. S. D. J. (Western District of Pennsylvania). Approved as to Form (Signed) Brooks, Curtze & Silin, Counsel for Plaintiffs. (Signed) Caesar and Rivise, Counsel for Defendant Stonite Products Company, Appearing Specially. To which the same the plaintiffs do except and an Exception is sealed to the Plaintiffs. (Signed) F. P. Schoonmaker, United States District Judge."

[fol. 5] DISTRICT COURT OF THE UNITED STATES FOR THE WESTERN DISTRICT OF PENNSYLVANIA, ERIE DIVISION

Civil Action File No. 26-Erie

THE MELVIN LLOYD COMPANY and J. A. ZURN MFG. CO., Plaintiffs,

v.

STONITE PRODUCTS COMPANY and LOWE SUPPLY CO., Defendants

SUMMONS AND MARSHAL'S RETURN

To the above named Defendants:

You are hereby summoned and required to serve upon Brooks, Curtze & Silin, plaintiff's attorney, whose address is 1013 Erie Trust Building, Erie, Pennsylvania an answer to the complaint which is herewith served upon you, within twenty days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

G. H. Berger, Clerk of Court, by (Signed) Lyman C. Shreve, Deputy Clerk. (Seal of Court.)

Date: August 9, 1940.

Note—This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

[Endorsed:] No. 26 Civil Action-Erie. District Court of the United States, Western District of Pennsylvania. The Melvin Lloyd Company and J. A. Zurn Mfg. Co. v. Stonite Products Company and Lowe Supply Co. Summons in Civil Action. Returnable not later than — days after service. Filed — o'clock — M., Aug. 16, 1940. Lyman C. Shreve, Deputy Clerk, U. S. Dist. Ct. for West. Dist. of Penna., Erie. Brooks, Curtze & Silin, Attorney for Plaintiff.

[fol. 6] RETURN ON SERVICE OF WRIT.

I hereby certify and return, that on the 10th day of August, A. D. 1940, I received the within summons and served the same at Philadelphia, Pa., in my district, on August 12, 1940, on the Stonite Products Company, located at 4455 N. 5th Street, Phila., Pa., by handing a true and

attested copy thereof, together with a copy of the complaint,—to Mr. A. Younger, Owner of the said Company, and making contents of the same known to him.

As to Lowe Supply Co.—"not requested to serve".

So answers—

Joseph C. Reing, United States Marshal, by (Signed) Clayton Keeney, Deputy United States Marshal.

Marshal's Fees

Travel	$.36
Service	2.00
	$2.36

Subscribed and sworn to before me, a Deputy Clerk District Court, United States, Eastern District of Pennsylvania this 15th day of August, 1940. (Signed) Robert T. Press, Deputy Clerk District Court United States, Eastern District of Pennsylvania. (Seal.)

Note—Affidavit required only if service is made by a person other than a United States Marshal or his deputy.

[fol. 7] District Court of the United States, Western Pennsylvania

[Title omitted]

Summons and Marshal's Return

To the above named Defendants:

You are hereby summoned and required to serve upon Brooks, Curtze & Silin, plaintiff's attorney, whose address 1013 Erie Trust Building, Erie, Pennsylvania an answer to the complaint which is herewith served upon you, within twenty days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

G. H. Berger, Clerk of Court, by (Signed) Lyman C. Shreve, Deputy Clerk. (Seal of Court.)

Date: August 9, 1940.

Note: This summons is issued pursuant to Rule 4 of the Federal Rules of Civil Procedure.

[Endorsed:] District Court of the United States, Western District of Pennsylvania. No. 26 Civil Action-Erie. The Melvin Lloyd Company and J. A. Zurn Mfg. Co. v. Stonite Products Company and Lowe Supply Co. Summons in Civil Action. Returnable not later than — days after service. Filed — o'clock M., Sept. 4, 1940. Lyman C. Shreve, Deputy Clerk, U. S. Dist. Ct. for West. Dist. of Penna., Erie. Brooks, Curtze & Silin, Attorney for Plaintiff.

[fol. 8] RETURN ON SERVICE OF WRIT

I hereby certify and return, that on the 22nd day of August 1940, I received the within summons in civil action and complaint and served the same on the therein-named Lowe Supply Co. Erie, Pa., by handing to and leaving a true and attested copy thereof with Frerrick Freidman, Vice President of said Lowe Supply Co., personally, at his office 1301 State Street, Erie, Pa. in said District on the 23rd day of August, 1940.

(Signed) John E. Sloan, United States Marshal, by J. Dempsey, Deputy United States Marshal.

Marshal's Fees

Travel	$8.76
Service	2.00
	$10.76

Subscribed and sworn to before me, a —— this — day of —— 19—. ——— ——. (Seal.)

Note: Affidavit required only if service is made by a person other than a United States Marshal or his deputy.

[fol. 9] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

COMPLAINT FOR INFRINGEMENT OF PATENT

1. Jurisdiction is founded on the fact that this suit arises under the patent laws, (R. S. Sec. 629 par. 9; Mar. 3, 1911,

c. 231, Sec. 24, par. 7, 36 Stat. 1092, Judicial Code, section 24; amended, 28 USCA section 4 (7)) that Lowe Supply Co. (hereinafter referred to as "Lowe") is an inhabitant of the Western District of Pennsylvania, that there are two defendants, residing in different districts of the State of Pennsylvania, to wit: the Eastern District of Pennsylvania and the Western District of Pennsylvania (R. S. Sec. 740; Mar. 3, 1881, c. 144, Sec. 2, 21 Stat. 507; Mar. 3, 1911, c. 231, Sec. 52, 36 Stat. 1101, Judicial Code Sec. 52, 28 USCA sec. 113) The Melvin Lloyd Company, (hereinafter referred to as "Lloyd") is a corporation duly organized and existing under the laws of the State of Ohio and has its principal place of business at Youngstown, Ohio. J. A. Zurn Mfg. Co. (hereinafter referred to as "Zurn") is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at Erie, Pennsylvania. Stonite Products Company (hereinafter referred to as "Stonite") resides in and is an inhabitant of Philadelphia, Pennsylvania, in the Eastern District of Pennsylvania, and as plaintiffs are informed, believe and expect to be able to prove is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at [fol. 10] Philadelphia, Pennsylvania. Lowe resides in and is an inhabitant of Erie, Pennsylvania in the Western District of Pennsylvania and as plaintiffs are informed, believe and expect to be able to prove is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and has its principal place of business at Erie, Pennsylvania.

2. On October 7, 1930 United States Letters Patent No. 1,777,759 were duly and legally issued to plaintiff, Lloyd, whose assignor was Galbraith S. Melvin as shown by an agreement shown as Exhibit "A" for an invention in a boiler stand; and since that date plaintiff, Lloyd, has been and still is the owner of those Letters Patent.

3. On or about March 14, 1931 plaintiff, Lloyd, and plaintiff, Zurn, made an agreement of exclusive License with right to sub-license in respect of said patent a true and correct copy of which is attached hereto, made a part hereof and marked Exhibit "B".

4. Plaintiffs are informed, believe and expect to be able to prove defendant, Stonite, after March 14, 1931 and prior

to June 15, 1940 entered into an agreement with defendant Lowe whereby Stonite agreed to sell to Lowe in Erie, Pennsylvania and Lowe in Erie, Pennsylvania agreed to buy from Stonite boiler stands which were infringements of said letters patent, and in pursuance to said agreement, Stonite sold to Lowe in Erie, Pennsylvania and Lowe in Erie, Pennsylvania purchased from Stonite such boiler stands.

5. Defendant, Stonite, has for a long time past been and still is infringing those Letters Patent by making, selling, and using boiler stands embodying the invention patented in said Letters Patent, and will continue to do so unless enjoined by this court.

[fol. 11] 6. The plaintiffs are informed, believe and expect to be able to prove defendant, Lowe, has for a long time past been and still is infringing those Letters Patent by selling and using boiler stands embodying the invention patented in said Letters Patent, and will continue to do so unless enjoined by this court.

7. Plaintiff, Zurn, has placed adequate notice, such as may be required in respect of its boiler stands, upon its catalogues and selling and advertising literature in respect of such boiler stands manufactured and sold by it under said Letters Patent, and plaintiffs have given written notice to defendant, Stonite, of its infringement.

Wherefore, plaintiff demands a preliminary and final injunction against further infringement by defendants and those controlled by defendants, an accounting for profit and damages, and an assessment of costs against defendant.

——— ———, ——— ———, Attorneys for Plaintiffs, 1013 Erie Trust Bldg., Erie, Pa.

[fol. 12] EXHIBIT "A" TO COMPLAINT

(Sole Application—Filed—Entire Rights)

Liber K145. Page 456.

Assignment of Inventions

For certain sufficiently valuable considerations, receipt of which is acknowledged, I hereby assign to The Melvin-Lloyd Company, of Youngstown, Ohio, a Corporation of Ohio, the heirs or successors and assigns thereof, all rights

in to and under my inventions disclosed in Application Serial Number 370,026, filed June 11, 1929, for United States patent on Improvements in Boiler Stand, together with said application and all divisions, renewals, or continuations thereof, and my rights in to and under all patents granted on said inventions by any countries. I warrant that I have full unencumbered ownership of the said inventions, unconditional rights to make this assignment, and that no license exists thereunder. I agree upon request, without further consideration, but without expense to me, to execute all papers and generally to do everything necessary to obtain and maintain patent protection for and exclusive enjoyment of said inventions by and for said assignee everywhere in the world.

Signed and sealed this 29th day of August, 1930.
(Signed) Galbraith S. Melvin. (Seal.)

Recorded: Transfers of Patents, U. S. Patent Office. Aug. 30, 1930. Liber K145. Page 456. Thomas E. Robertson.

COMMONWEALTH OF PENNSYLVANIA,
County of Allegheny, ss.:

On this 29th day of August, 1930, before me a Notary Public in and for said County and State, came the above named Galbraith S. Melvin, and acknowledged the foregoing assignment to be his voluntary act and deed, and desired the same to be recorded as such.

Witness my hand and official seal. (Signed) Edwin O. Johns, Notary Public. (Seal.) My Commission Expires March 7, 1933.

(Brown & Critchlow, Patent Attorneys, Pittsburgh.)

[fol. 13] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

MOTION TO DISMISS OR QUASH THE RETURN OF SERVICE AND EXTEND TIME FOR FILING OF ANSWER

The defendant, Stonite Products Company, by its attorneys, Caesar and Rivise, appearing specially, moves the Court as follows:

(1) To dismiss the action as to the defendant, Stonite Products Company, on the grounds that this suit is in the

wrong district because this suit is brought under the Constitution and Laws of the United States relating to patents and the defendant, Stonite Products Company, is a resident of the City and County of Philadelphia in the State of Pennsylvania and does not have a regular and established place of business within the Western District of Pennsylvania.

(2) To dismiss the action or in lieu thereof to quash the return of the service of the summons on the grounds:

(a) That the defendant, Stonite Products Company, is a resident of the City and County of Philadelphia in the State of Pennsylvania, and was not and is not subject to the [fol. 14] service of process within the Western District of Pennsylvania.

(b) That the defendant, Stonite Products Company, has not been properly served with process in this action.

(c) That the defendant, Stonite Products Company, has been improperly joined with the defendant, Lowe Supply Co.

(Signed) Caesar and Rivise, Attorneys for Defendant Stonite Products Company, Appearing specially.

[fol. 15] DISTRICT COURT OF THE UNITED STATES, WESTERN PENNSYLVANIA

OPINION—Filed October 15, 1940

On Motion of Stonite Products Company to Dismiss this Action *to Dismiss this Action* for Lack of Jurisdiction and to Quash Service of Summons

SCHOONMAKER, Judge:

This is a patent-suit charging defendants with infringement of Melvin Patent No. 1,777,759 for a boiler stand.

The complaint charges that defendant, Lowe Supply Company, is a resident of Erie; that the defendant, Stonite Products Company, is a resident of Philadelphia in the Eastern District of Pennsylvania; and that the acts of infringement occurred in this District.

The summons and complaint were served on defendant, Stonite Products Company, in Philadelphia in the Eastern

District of this state. Defendant has moved to dismiss this action and to quash the service of the summons and complaint on the ground that the court is without jurisdiction of this defendant.

The venue in patent suits is fixed by Tit. 28 U. S. C. A. Sec. 109 (Judicial Code Sec. 48), which provides

[fol. 16] "In suits brought for the infringement of letters patent, the district courts of the United States shall have jurisdiction, in law or in equity, in the district in which the defendant is an inhabitant, or in any district in which the defendant, * * * shall have committed acts of infringement and have a regular and established place of business."

The Supreme Court, in considering this section, has said:

"Section 48 relates to venue. It confers upon defendants in patent cases a privilege in respect of the places in which suits may be maintained against them. And that privilege may be waived."

However, in the instant case, there has been no waiver, and we must conclude that the defendant, Stonite Products Company, is not suable in this district in a patent infringement case. This view is supported by Moto Shaver vs. Schick Dry Shaver, 100 Fed. (2nd) 236.

The plaintiffs urge that this court acquired jurisdiction over the defendant, Stonite Products Company, by service of the summons and complaint in Philadelphia, under the provisions of Tit. 28 U. S. C. A. Sec. 113 (Sec. 52 Judicial Code), which provides that in cases where there are more than one district in a state, and there are two or more defendants residing in different districts of the state, suit may be brought in either district, and a duplicate writ may be issued to the marshal of the other district and served there by the marshal; and the case shall then be proceeded with as one suit.

In our view, the statute does not apply to patent suits, because the venue in patent suits may be laid only in a district where the acts of infringement occurred, and where the infringer has a regular and established place of business. Such is not the case in the instant suit.

[fol. 17] Judge Dickinson of the Eastern District of Pennsylvania expressed the contrary view in Zell vs. Erie Bronze

Co., 273 Fed. 833. However, we cannot agree with that view. Counsel for plaintiff also cite the opinion of Judge Maris in Nakken Patents Corporation vs. Westinghouse Electric & Manufacturing Co., 21 F. Supp. 336 as supporting their position. We have read this opinion, but cannot find that Judge Maris passed upon the question at all.

The motion to dismiss and quash the service as to defendant Stonite Products Company must be granted. An order may be submitted accordingly.

[fol. 18] DISTRICT COURT OF THE UNITED STATES, WESTERN PENNSYLVANIA

Civil Action No. 26—Erie

THE MELVIN LLOYD COMPANY, and J. A. ZURN MFG. CO., Plaintiffs,

vs.

STONITE PRODUCTS COMPANY, and LOWE SUPPLY COMPANY, Defendants

ORDER—November 14, 1940

This cause having been heard on the 21st day of September, 1940, by motion of the defendant Stonite Products Company to dismiss the action as to the defendant Stonite Products Company on the ground that said defendant Stonite Products Company does not have a regular and established place of business within the Western District of Pennsylvania; or to dismiss the action or, in lieu thereof, quash the return of service of the summons as to the defendant Stonite Products Company on the ground of improper service of process and improper joinder of the defendant Stonite Products Company with defendant Lowe Supply Company;

It is hereby Ordered that the return of service be quashed and that the cause of action be dismissed as to said defendant Stonite Products Company, for the reason that the venue in this suit as against Stonite Products Company is [fol. 19] not laid in the District where acts of infringement are alleged to have occurred and where the defendant

Stonite Products Company has a regular and established place of business.

November 14, 1940.

(Signed) Frederick P. Schoonmaker, U. S. D. J. (Western District of Pennsylvania).

Approved as to form:

(Signed) Brooks, Curtze & Silin, Counsel for Plaintiffs. (Signed) Caesar and Rivise, Counsel for Defendant Stonite Products Company, Appearing Specially.

To which the same the Plaintiffs do except and an Exception is sealed to the Plaintiffs.

(Signed) F. P. Schoonmaker, United States District Judge.

[fol. 20] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

NOTICE OF APPEAL—Filed December 14, 1940

Notice is hereby given that J. A. Zurn Mfg. Co., one of the Plaintiffs above named, hereby appeals to the United States Circuit Court of Appeals for the Third Circuit from the Opinion filed October 15, 1940 and from the Final Order and judgment quashing the return of service and dismissing the cause of action as to the Stonite Products Company, made November 14, 1940.

Dated: December —, 1940.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff. Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 21] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

STATEMENT OF POINTS ON WHICH APPELLANTS INTEND TO RELY

The list of points on which Appellants intend to rely are the following:

1. The Court had jurisdiction of all the parties.

2. The Court had jurisdiction of the subject matter.

3. The venue is proper.

4. The Motion to Dismiss or Quash the Return of Service and Extend Time for Filing of Answer, should have been denied.

5. The Final Order and judgment of November 14th, 1940, were in error.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff. Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 22] UNITED STATES DISTRICT COURT, WESTERN PENNSYLVANIA

[Title omitted]

DESIGNATION FOR RECORD

We hereby designate the portions of the record, proceedings and evidence to be contained in the record on appeal as follows:

In addition to or without limiting the generality of what is required as a part of the record under Rule 75 (g) of the Federal Rules of Civil Procedure, the following:

Docket Entries.
Summons.
Complaint.
Return of Service of the Marshal of the United States District Court for the Eastern District of Pennsylvania, as to Summons and Complaint.
Motion to Dismiss or Quash the Return of Service and Extend Time for Filing of Answer, exclusive of paragraph 3 thereof and exclusive of the Exhibits therewith.
Opinion Filed October 15, 1940.
Final Order and Judgment of November 14th, 1940.

We hereby file this Designation for record under Rule 75 b of the Rules of Civil Procedure for the District Courts of the United States.

(Signed) Brooks, Curtze & Silin, Attorneys for Plaintiff. Isaac J. Silin, Esq., Charles R. McNeill, Esq., of Counsel.

[fol. 23] IN THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

[Title omitted]

ARGUMENT AND SUBMISSION—March 20, 1941

And afterwards, to wit, the 20th day of March, 1941, come the parties aforesaid by their counsel aforesaid, and this case being called for argument sur pleadings and briefs, before the Honorable John Biggs, Jr., Honorable Albert B. Maris and Honorable Charles Alvin Jones, Circuit Judges, and the Court not being fully advised in the premises, takes further time for the consideration thereof,

And afterwards, to wit, on the 13th day of May, 1941, come the parties aforesaid by their counsel aforesaid, and the Court, now being fully advised in the premises, renders the following decision:

[fol. 24] UNITED STATES CIRCUIT COURT OF APPEALS

[Title omitted]

OPINION—Filed May 13, 1941

Before Biggs, Maris and Jones, Circuit Judges

MARIS, Circuit Judge:

Stonite Products Company was sued jointly with Lowe Supply Company in the District Court for the Western District of Pennsylvania for infringement of a patent for a boiler stand. Both defendants are Pennsylvania corporations. Each was served where it had its principal place of business, Lowe in the Western District, Stonite in the [fol. 25] Eastern District of Pennsylvania. Lowe defaulted and the suit proceeded to judgment against it. Stonite entered a special appearance and moved to dismiss or quash the return of service. The district court granted the motion, quashed the return of service and dismissed the cause of action as to Stonite for the reason that the venue as to it was not laid in the district where acts of infringement are alleged to have occurred and where Stonite has a regular and established place of business. 36 F. Supp. 29. This appeal followed.

The controversy centers about the construction of Sections 48 and 52 of the Judicial Code, the former dealing with venue in patent infringement suits, the latter a general statute as to venue in the district courts in those states which have been divided into two or more judicial districts. Section 48 (28 U. S. C. A. § 109) provides:

"In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought."

Section 52 (28 U. S. C. A. § 113) provides:

"When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there [fol. 26] are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. The clerk issuing the duplicate writ shall indorse thereon that it is a true copy of a writ sued out of the court of the proper district; and such original and duplicate writs, when executed and returned into the office from which they issue, shall constitute and be proceeded on as one suit; and upon any judgment or decree rendered therein, execution may be issued, directed to the marshal of any district in the same State."

The question for our determination is whether Section 52 is applicable to patent cases as well as to all other cases not of a local nature or whether venue in patent cases must be determined solely under the provisions of Section 48. In other words, is Section 48 inconsistent with Section 52?

In determining whether these two sections are in conflict it is helpful to consider their legislative history and the reasons which led to their enactment. Section 48 was first enacted as the Act of March 3, 1897, 29 Stat. 695. In considering the reasons for its enactment some historical review is necessary. Section 11 of the Judiciary Act of September 24, 1789, c. 20, 1 Stat. 79, (§ 739 Rev. Stat.) permitted suit to be instituted in the federal courts against an inhabitant of the United States in any district in which he was an inhabitant or in which he was found at the time of serving the writ. This provision was continued in the Act of March 3, 1875, c. 137, § 1, 18 Stat. 470. The right to serve process upon a defendant in any district in which he chanced to be frequently placed the venue of an action in a district quite distant from the scene of the controversy and the residence of the parties, with resulting hardship to a defendant who had to defend a suit at a great distance from his home and the homes of his witnesses. It was to [fol. 27] remedy this hardship by limiting venue that Congress passed the Act of March 3, 1887, c. 373, 24 Stat. 552, in which it provided for the bringing of suit only in the district where the defendant was an inhabitant except where the jurisdiction was founded on the fact that the action was between citizens of different states, in which case suit could be brought in the district of the residence of either the plaintiff or the defendant. Although this act might readily have been construed as being applicable to all cases in which the circuit and district courts had jurisdiction[1] the Supreme Court stated in In Re Hohorst, 150 U. S. 653, that it did not apply to an alien or foreign corporation sued in the United States. By way of dictum the court stated that the act applied only to cases in which the federal courts had concurrent jurisdiction with state courts and was, therefore, inapplicable to a suit for infringement of a patent since the federal courts had exclusive jurisdiction over patent litigation.

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[1] In Allen v. Blunt, 1 Blatchf. 480, Fed. Cas. No. 215, Justice Nelson sitting at circuit construed the venue provision of Section 11 of the Judiciary Act of September 24, 1789, 1 Stat. 79, as a general provision applicable to all suits in the federal courts, including a suit for the infringement of a patent.

After the decision of the Hohorst case there was considerable disagreement in the lower federal courts as to whether the dictum in that case went so far as to exclude patent litigation from the restricted venue prescribed by the Act of 1887. In 1895, however, the Supreme Court in In Re Keasbey & Mattison Co., 160 U. S. 221, again by way of dictum once more stated that the Act of 1887 did not apply to patent litigation. Convinced by this reiteration the lower federal courts thereafter held that suit could be brought against a defendant in a patent infringement suit wherever process could be served upon him. Westinghouse Air-Brake Co. v. Great Northern Ry. Co., 88 F. 258.

On March 3, 1897 Congress passed the act which afterward became Section 48 of the Judicial Code. It provided for the bringing of patent suits either in the district where the defendant was an inhabitant or in the district where the infringement took place and where the defendant main- [fol. 28] tained a regular and established place of business. This act brought the venue of patent litigation more nearly into line with that of all other suits in the federal courts. By reason of the peculiar nature of patent infringements, however, the act preserved the right to bring suit in any district where the defendant maintained a business place provided acts of infringement had taken place in that district. But the unrestricted right to bring suit wherever the defendant could be served was not retained. It will thus be seen that the Act of 1897 restricted rather than enlarged the venue previously existing in patent cases, although still retaining for such cases a wider venue than was permitted in other litigation. See the illuminating discussion of this subject by Judge Coxe in Bowers v. Atlantic, G. & P. Co., 104 F. 887.

We now turn to the consideration of Section 52 of the Judicial Code which had its origin in the Act of May 4, 1858, c. 27, 11 Stat. 272. Originally the federal judicial districts were coextensive with the states. Section 2 of the Judiciary Act of 1789, 1 Stat. 73, provided for thirteen federal districts corresponding to the eleven states which first ratified the Constitution and the districts of Maine and Kentucky. Section 3 of the act created a court for each district. Within a few years Congress found it expedient to divide certain

of the states *into two or more judicial districts.*[2] In a state thus divided one who desired to sue a number of defendants living in the state found it necessary to bring more than one suit if the defendants did not all reside in the same district. However, the idea that state lines should be used to delimit venue jurisdiction in the federal courts still persisted. It is clear that Congress had this idea in mind when, in dividing the State of Alabama into two judicial districts by the Act of March 10, 1824, c. 28, § 6, 4 Stat. 10, it provided:

[fol. 29] "That all suits hereafter to be brought, in either of the courts aforesaid, not of a local nature, shall be brought only in the district where the defendant shall reside; but if there be more than one defendant, and some of them reside in the northern, and some in the southern district, the plaintiff may sue in either, and send a duplicate writ to the other, on which he shall endorse that it is part of a suit brought in the district from which it is sent; and the said writs, when executed and returned, shall constitute one suit, and be proceeded in accordingly."

Similar provisions were made in many later acts.[3] In 1858 Congress passed the general act to the same effect which was afterwards incorporated into the Judicial Code as Section 52. Before the division of a state into judicial districts a plaintiff had the right to bring a single suit against any number of defendants residing anywhere within the state. The sole purpose of the Act of 1858 was to preserve to a

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[2] Act of April 29, 1802, c. 31, § 7 (2 Stat. 162) three districts in North Carolina; Act of April 29, 1802, c. 31, § 16 (2 Stat. 165), two districts in Tennessee; Act of April 9, 1814, c. 49 (3 Stat. 120) two districts in New York; Act of April 20, 1818, c. 108 (3 Stat. 462) two districts in Pennsylvania; Act of February 21, 1823, c. 11 (3 Stat. 726) two districts in South Carolina; Act of March 3, 1823, c. 44 (3 Stat. 774) two districts in Louisiana.

[3] Mississippi. Act of June 18, 1838, c. 115, § 4 (5 Stat. 248); Tennessee. Act of January 18, 1839, c. § 7 (5 Stat. 314); Alabama. Act of of February 6, 1839, c. 20, § 5 (5 Stat. 315); Georgia. Act of August 11, 1848, c. 151, § 5 (9 Stat. 281); Iowa. Act of March 3, 1849, c. 124, § 3 (9 Stat. 411); Ohio. Act of February 10, 1855, c. 73, § 9 (10 Stat. 606). See Petri v. Creelman Lumber Co., 199 U. S. 487, 498.

plaintiff, after the division of the state into judicial districts, the same right to bring one suit against any number of residents of the state, even though they might happen to live in different districts. The act eliminated any possible prejudice to a plaintiff resulting from the division of a state into judicial districts.

It will thus be seen that the Act of 1858 related only to venue in a geographical situation thought to require special treatment, whereas the Act of 1897 related solely to venue in a special type of case. That Congress considered the two acts to be consistent with each other may fairly be inferred from the fact that they were incorporated into the Judicial Code as Sections 52 and 48 respectively, without any suggestion that Section 52 which in terms applies to "every [fol. 30] suit" does not apply to a patent suit or that the venue for patent suits provided by Section 48 is to be deemed exclusive of the venue prescribed by Section 52 for all cases in those particular states which are divided into judicial districts. In this connection it is to be noted that Section 52 does expressly except from its purview suits of a local nature. The failure to include in the exception suits for patent infringement is a strong indication that such suits are intended to be governed by its provisions. Our historical review reveals that Congress has always accorded to patent litigants a broader venue than that extended to other civil litigants. In the light of this legislative history it hardly seems likely that Congress intended by the Act of 1897 to withdraw from patent litigants the state-wide venue which it had accorded from the beginning to all others. We find no support in the Judicial Code or in the statutes which preceded it nor do we see any basis in logic for the proposition that of all parties desiring to institute civil litigation a patent owner alone should be prejudiced by the fact that the state in which the alleged infringers of his patent reside has been divided into judicial districts.

We have seen that the subject matter of the two sections is distinct. Under these circumstances each should be given full effect if possible. In a broad sense, of course, each deals with the general problem of venue. If in this sense the sections may be deemed in pari materia they should be construed in harmony with each other so as to give effect to each, if reasonably possible. The Star, 16 U. S. (3 Wheat.) 78; The United States v. Freeman, 44 U. S. (3 How.) 556; United States v. Stewart, 311 U. S. 60. We think there is no

lack of harmony between Section 48 which provides that the judicial district of which the defendant is an inhabitant shall be the proper venue for a personal action brought for the infringement of a patent and Section 52 which in practical effect provides that where the defendants in any personal action reside in two or more judicial districts within a state [fol. 31] all the districts involved shall be treated as a single district for the purpose of venue jurisdiction over the defendants. Section 52 thus merely enlarges the meaning of the phrase "the district of which the defendant is an inhabitant" which appears in Section 48. We think that the construction of these sections of the Judicial Code was correctly indicated by Judge Dickinson in Zell v. Erie Bronze Co., 273 F. 833, 837 (E. D. Pa.), as follows:

"The genesis of these several acts of Congress and the order in which they appear in the present Judicial Code are all consistent with this thought, that a defendant in any kind of a case may be sued in his own district, and there alone, except that where diversity of citizenship is a sole ground of jurisdiction he may also be sued, if service can there be had upon him, in the district of the plaintiff, and that in patent suits the infringer may be sued in the district in which he commits acts of infringement, if he there maintains an office, etc., that where there are several defendants the plaintiff may proceed against the defendant who is an inhabitant of the district in which the suit is brought, and if all of the defendants reside within the same state, although in different districts, they may all be sued in the district of any one of them, extra territorial service being made upon those out of the districts."

We conclude that the provisions of Section 52 authorizing a single suit to be brought against defendants residing in different districts in a state divided into judicial districts apply to patent suits to the same extent as to other non local suits and that the district court erred in holding otherwise. A different conclusion was reached by the Circuit Court of Appeals for the Ninth Circuit in Motoshaver, Inc. v. Shick Dry Shaver, Inc., 100 F. 2d 236 (C. C. A. 9), but for the reasons already suggested we think that the court in that case in holding Section 52 inapplicable to patent cases failed to give that section its proper effect.

[fol. 32] The judgment of the district court is reversed and the cause is remanded with directions to reinstate the complaint against the defendant Stonite Products Company.

[fol. 33] IN THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT, OCTOBER TERM, 1940

No. 7636

THE MELVIN LLOYD COMPANY and J. A. ZURN MANUFACTURING COMPANY, Appellant,

vs.

STONITE PRODUCTS COMPANY and LOWE SUPPLY COMPANY, Defendants-Appellees

JUDGMENT—Filed May 13, 1941

On Appeal from the District Court of the United States, for the District of Pennsylvania.

This cause came on to be heard on the transcript of record from the District Court of the United States, for the Western District of Pennsylvania, and was argued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby reversed, with costs, and the cause is remanded to the said District Court with directions to reinstate the complaint against the defendant Stonite Products Company.

Philadelphia, May 13, 1941.

Albert B. Maris, Circuit Judge.

[File endorsement omitted.]

[fol. 34] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 35] SUPREME COURT OF THE UNITED STATES

ORDER ALLOWING CERTIORARI—Filed October 13, 1941

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Third Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.